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## THE WEALTH OF LDS, INC.

The wealth of the Mormon empire is massive. Likewise, the interview notes, copies of stock reports, published documents, and similar materials used in forming our own estimates of that wealth bulk large. Even a weeding-out procedure left us with a pile of material several telephone directories thick. There is no adequate way to give all the detailed references, gathered over several years, for the final figures we present. However, to make much of this information available to other researchers, we have placed dozens of pages of original tables, charts, and summary statistics (along with information on how they were collected) in archives.<sup>75</sup> The tables and figures in the remainder of this chapter are selected samples that illustrate the sources of our final estimates.

Two LDS Church historians recently wrote: "It has no substantial block of stock in many of the [Mountain West] area's most powerful enterprises — Union Pacific Railroad, First Security Corporation, Western Airlines, and Utah Power & Light Company . . . among others."<sup>76</sup> This is the view of Mormon investments that the Church understandably prefers to promote. Unfortunately it is contradicted by the facts. For instance, the *Annual Report of Utah Power & Light to the Federal Energy Regulatory Commission* for December 31, 1980, showed the LDS Church to be the fourth-largest stockholder in Utah Power & Light, with 342,172 shares. (This report, like much of the supporting evidence we provide, is available to the public.) And as of December 31, 1983, the Church was listed as the third-largest stockholder in Zion's Utah Bancorporation, with approximately 170,000 shares, as well as the fifth-largest stockholder in First Security Corporation, with approximately 250,000 shares. Both corporations are not only among Utah's leading banking enterprises but also two of the western United States' largest bank-holding conglomerates. Together both blocks of stock were worth an estimated \$12,305,000 at the end of 1983.

The LDS Church avoids public disclosure of its wealth and does not advertise its heavy investments in banks, public utilities, insurance, electronic communications, and agribusiness. Former *New York Times* reporter Wallace Turner noted the obstacles to obtaining information on Church finances:

In all particulars, it is difficult to discuss the financial status of the LDS Church. Precise information is lacking. The Church has

a policy of secrecy on financial matters that makes it difficult to check the accuracy of reports picked up from non-Church sources.<sup>77</sup>

One informant in the Church Investment Department bluntly told us that the Church's policy on disclosure of its finances is to try to stay out of the press and public eye as much as possible. Church officials do not even like to comment on any articles written about the financial holdings of the LDS organization.<sup>78</sup>

Yet there are ways to gain enough information to form reasonable estimates despite this secrecy. The remainder of this chapter examines the Church's investments, income, and profits. We have broken the wealth of the Church into five general areas: stocks and bonds investments, land and buildings, mass communication holdings, archival and library holdings, and insurance.

### **Church Stocks and Bonds Investments**

As recently as the early 1960s the LDS Church had few or no stocks and bonds in its investment portfolios. Rather, it bought short-term notes that made money easily available when it needed to be spent.<sup>79</sup> In 1963, however, N. Eldon Tanner, a wealthy Canadian politician and industrialist, became first counselor to the Church president. He dramatically reshaped Church investment practices and built its impressive stock portfolios. Men with corporate savvy and investment instincts began to rise quickly through the Church bureaucracy during Tanner's years in the First Presidency. Tanner regularly consulted with financiers and bankers. Management of Church investments became more aggressive and, despite some losses during recessions (particularly during the mid-1970s), the new strategies produced impressive returns.

In the 1980s the Church bond substitute portion of its portfolio occasionally has taken a beating. One of the main reasons is the Church's heavy investment in public utilities amid the growing controversy over nuclear power plants. A number of companies in which the Church owns stock have confronted mounting public opposition to the construction of nuclear plants and come under sharp scrutiny by the Nuclear Regulatory Commission. One newspaper reported:

Between October 1974 and July 1983, according to the U.S. Nuclear Regulatory Commission, 49 nuclear plants were canceled

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before construction permits were issued. An additional 25 plants  
were canceled after permits had been issued . . . for a total of 74  
aborted nuclear projects.<sup>80</sup>

Table 3-3 gives an idea of the Church's heavy investment in a part  
of the energy industry that has rapidly lost much of its promise of  
near-future profitability for investors.<sup>81</sup>

**Table 3-3 LDS Church Investments in Utilities Relying on  
Nuclear Power**

POWER COMPANY	NUMBER OF NUCLEAR PLANTS UNDER CONSTRUCTION OR NEARLY COMPLETED	NAME OF NUCLEAR PROJECT	APPROXIMATE NUMBER OF SHARES LDS CHURCH HOLDS
Arizona Public Service	3	Powell Verde Units I, II, III	220,000
Baltimore Gas & Electric	2	Calvert Cliffs I, II	410,000
Cincinnati Gas & Electric	1	Zimmer Plant (since converted to coal)	315,000
Cleveland Electric	2	Perry Units	200,000
Houston Industries	2	South Texas Units I, II	300,000
Long Island Lighting	1	Shoreham Plant	680,000
Middlesouth Utilities	5	Arkansas Power & Light (2) Mississippi Power & Light (2) (Grand Gulf I, II) Louisiana Power & Light (1) (Waterford III)	360,000
Northeast Utilities	3	Millstone I, II, III	250,000
Public Service of Colorado	1	Fort Saint-Vrain	375,000
Rochester Gas & Electric	1	Ginna Unit	314,000
Texas Utilities	2	Comanche Peak I, II	320,000

Source: Figures were compiled from numerous annual reports from utility  
companies to the Federal Energy Regulatory Commission.

But the Church is still a long way from the poorhouse with its pub-  
lic utilities investments. Table 3-4 shows the annual dividend rates,

paid quarterly, only for those utilities in which the Church holds 100,000 shares or more of common stock. (It actually has many smaller holdings in other utilities not mentioned here.) Stocks in only these companies paid the Church approximately \$20,325,000 in 1983. When public utilities bonds and common stocks are combined, the Church holds total investments in this portfolio alone valued at \$255 million.<sup>82</sup>

**Table 3-4 LDS Church Bond Substitute Portfolio (1983)**

Public Utilities Bonds			\$ 80,000,000
Public Utilities Common Stocks			\$175,000,000
Total Investments in Portfolio			\$255,000,000
PUBLIC UTILITIES	APPROXIMATE NUMBER OF SHARES	ANNUAL DIVIDEND (1983)	APPROXIMATE TOTAL PAID (1983)
Central Illinois Public Service	140,000	\$1.52	\$ 212,800
Commonwealth Edison	360,000	\$3.00	\$1,080,000
Wisconsin Public Service	130,000	\$2.32	\$ 301,600
Public Service of Indiana	230,000	\$2.88	\$ 662,400
Kansas Power & Light	450,000	\$2.24	\$1,008,000
Baltimore Gas & Electric	410,000	\$3.00	\$1,230,000
Long Island Lighting	680,000	\$2.02	\$1,373,600
Middlesouth Utilities	360,000	\$1.74	\$ 626,400
Texas Utilities	320,000	\$2.20	\$ 704,000
Southern Co.	260,000	\$1.80	\$ 468,000
Arizona Public Service	220,000	\$2.60	\$ 572,000
Idaho Power Co.	210,000	\$3.08	\$ 646,800
Montana Power	250,000	\$2.68	\$ 670,000
Public Service of Colorado	375,000	\$1.84	\$ 690,000
Florida Power Corp.	150,000	\$3.60	\$ 540,000
Utah Power & Light	345,000	\$2.32	\$ 800,400
Southern California Edison	110,000	\$3.80	\$ 418,000
El Paso Electric	100,000	\$1.40	\$ 140,000
Indianapolis Power & Light	115,000	\$2.76	\$ 317,400
Southern Indiana Gas & Electric	124,000	\$2.28	\$ 282,720
Northeast Utilities	250,000	\$1.38	\$ 345,000
Rochester Gas & Electric	314,000	\$1.84	\$ 577,760
Virginia Electric (Dominion Resources)	290,000	\$2.56	\$ 742,400
Cincinnati Gas & Electric	315,000	\$2.16	\$ 680,400
Cleveland Electric Illuminating Co.	200,000	\$2.40	\$ 480,000
Gulf States Utilities	165,000	\$1.64	\$ 270,600
Houston Lighting (Houston Industries)	300,000	\$2.32	\$ 696,000

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in which the Church holds stock. (It actually has many mentioned here.) Stocks in approximately \$20,325,000 and common stocks are investments in this portfolio alone

*Investment Portfolio (1983)*

		\$ 80,000,000
		\$175,000,000
		\$255,000,000
PERCENTAGE OF TOTAL ASSETS	ANNUAL DIVIDEND (1983)	APPROXIMATE TOTAL PAID (1983)
1.000	\$1.52	\$ 212,800
1.000	\$3.00	\$1,080,000
1.000	\$2.32	\$ 301,600
1.000	\$2.88	\$ 662,400
1.000	\$2.24	\$1,008,000
1.000	\$3.00	\$1,230,000
1.000	\$2.02	\$1,373,600
1.000	\$1.74	\$ 626,400
1.000	\$2.20	\$ 704,000
1.000	\$1.80	\$ 468,000
1.000	\$2.60	\$ 572,000
1.000	\$3.08	\$ 646,800
1.000	\$2.68	\$ 670,000
1.000	\$1.84	\$ 690,000
1.000	\$3.60	\$ 540,000
1.000	\$2.32	\$ 800,400
1.000	\$3.80	\$ 418,000
1.000	\$1.40	\$ 140,000
1.000	\$2.76	\$ 317,400
1.000	\$2.28	\$ 282,720
1.000	\$1.38	\$ 345,000
1.000	\$1.84	\$ 577,760
1.000	\$2.56	\$ 742,400
1.000	\$2.16	\$ 680,400
1.000	\$2.40	\$ 480,000
1.000	\$1.64	\$ 270,600
1.000	\$2.32	\$ 696,000

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The accounting and investment departments of the Church are governed by two powerful committees. In 1983 the Investment Policy Committee included Gordon B. Hinckley as chair (Hinckley was second counselor to President Spencer W. Kimball but because of Kimball's illness, he was the *de facto* head of the Church), Ezra Taft Benson, and Howard W. Hunter (both members of the Council of the Twelve), and all three members of the Presiding Bishopric. The committee establishes general investment policies and guidelines without usually dealing in specifics. Below this committee is the Investment Securities Committee, made up of seven members, which meets every month and determines the allocations for various investment portfolios — bonds, equities, farm management programs, cash accounts, meetinghouses and temples, and so forth.

The Church maintains a number of investment portfolios for specific purposes, such as numerous real estate portfolios covering their farms and ranches, their commercial properties, and their industrial parks. By looking at the investments made by just one Church-owned operation — in this case the Beneficial Life Insurance Company — we obtain a good idea of how the Church invests its money (in this case tithing funds). There is a fair amount of "corporate inbreeding," or interlocking directorships, at the top of the Mormon pyramid. For example, Ezra Taft Benson and Howard W. Hunter, in addition to serving on the Investment Policy Committee, also sit on Beneficial's board of directors. According to one member of the Investment Securities Committee, "The structure of the [Beneficial] portfolio is rather like that of a large pension fund."<sup>83</sup> The portfolio has long been involved in traditional investments such as stocks and bonds, and, until recently, its equities investments have been largely conservative and "Big Board," or blue chip. In 1982, according to the *Annual Statement of the Beneficial Life Insurance Company*, the company owned a total book value of \$16,338,787 in government bonds. Almost two-thirds of these bonds had maturities of five years or less, the rest three years or less. Out of the eleven new government bonds purchased in 1982, only one (valued at \$297,818) had a maturity date stretching as far as 1991. Most of the rest matured before 1988. This pattern contrasts with the annual statements of previous years, which show more purchase of government bonds with ten-, twenty-, and even thirty-year maturity dates as well as more commercial stocks.



The reason for such a shift is no mystery. Within the last several years Church leaders have developed a much more sober, even apocalyptic, attitude that influences the Investment Department. They convey a sense of impending economic catastrophe on a national scale, an extension of the doomsday millennial expectations we described in Chapter 1. Some leaders, like Ezra Taft Benson, are hard-line millennialists who expect widespread social upheaval and disorder imminently. Hence they want to maintain a healthy portion of assets that can be liquidated on short notice and used to run the Church, its building programs, and its welfare system for at least a year if tithing and other earnings are suddenly cut off. It is an interesting characteristic of LDS Church leadership that despite the no-nonsense business acumen usually brought to many corporate decisions, the Church's theology and prophecies still shape investment policies. The course of many future investments and hundreds of millions of dollars are profoundly affected.

Informants in the Church Investment Department confirmed that the "Brethren" in 1983 were indeed concerned with investment liquidity. Not long before, they had changed many of their Big Board investments over to more liquid investments such as money market funds, Treasury bills with 30/60/90 days or up to six months' maturity, Treasury notes that usually mature in two years or less, short-term certificates of deposit of a year or less, short-term commercial paper between 30 and 90 days' maturity, and anything else that appeared to be sound, short-term, and yielding a respectable return. After many interviews with brokers, investment counselors, and persons informed about Church investments, and with the recognition of how the Church has shifted allotted investments in various ways, we estimate that the Church currently puts about \$509 million into such short-term investments. That number can be only approximate, however, since short-term investments by their very nature are continually in flux.

Gone are many of the Church's heavier investments in a number of eastern industrials such as U.S. Steel, Union Carbide, Ford Motor Company, General Motors, and Chrysler. One financial planning officer for E. F. Hutton (and an active Mormon) commented, "I was astonished at just how much of their entire investment portfolio has changed in such a short period of time. The average turnaround in their portfolio investments was

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It is no mystery. Within the last several decades, the LDS Church has developed a much more sober, even prudent, investment philosophy. Influences the Investment Department. Pending economic catastrophe on a global scale, the LDS Church expects the doomsday millennial expectations of some leaders, like Ezra Taft Benson, to expect widespread social upheaval. Hence they want to maintain a healthy, liquidated on short notice and used for emergency programs, and its welfare system. Other earnings are suddenly cut off. The LDS Church leadership that has the business acumen usually brought to many LDS theologies and prophecies still shape the future of many future investments and the Church is profoundly affected. The Investment Department confirmed that the Church is indeed concerned with investment and has changed many of their Big Board investments such as money market funds, 60/90 days or up to six months' maturity, usually mature in two years or less, deposit of a year or less, short-term maturity, and anything under 90 days' maturity, and yielding a return. Interviews with brokers, investment advisors, and the Church has shifted alloted funds to short-term investments. That is the case, however, since short-term investments are continually in flux. The Church's heavier investments in a portfolio such as U.S. Steel, Union Carbide, General Motors, and Chrysler. One financial advisor (and an active Mormon) said that just how much of their entire portfolio was invested in such a short period of time. Their portfolio investments was

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unbelievable." He estimated that in recent years well over 80 percent of the LDS Church's stocks and bonds investments have been made or readjusted to fit into the new liquidity strategy.<sup>84</sup>

At the same time, the Church still maintains an impressive presence in Big Board stock ownership. It owns some 300,000 shares of the Marriott Corporation (1983 market value over \$25,000,000), almost 400,000 shares of Exxon (valued at about \$15,000,000), and over 100,000 shares each of Standard Oil of California and Phillips Petroleum (value of each over \$40,000,000). Table 3-5 presents a summary of the wealth of the LDS Church investments and the income they produce.<sup>85</sup>

*Table 3-5 Estimate of LDS Church Investments, 1982-1983*

LDS CHURCH INVESTMENTS	APPROXIMATE TOTAL
Short-Term (government bills, bank notes, commercial paper, etc.)	\$508,600,000
Public Utilities (bonds and stocks)	\$254,600,000
Big Board or Blue Chip (bonds and stocks) (AT&T, IBM, GE, Xerox, General Foods, Sears, Gannett, CBS, etc.)	<u>\$190,400,000</u>
Approximate Total LDS Church Stocks and Bonds Investments	\$953,600,000
Estimated Earned Income on above Investments	
Short-Term (Average yield 9.2% estimated for \$508,600,000)	\$ 46,791,200
Public Utilities (Bonds: Average yield 12.5% estimated for \$80,000,000)	\$ 10,000,000
(Stocks: Average yield 10.5% estimated for \$175,000,000)	\$ 18,375,000
Blue Chip (Average yield 4% estimated for \$190,400,000)	<u>\$ 7,616,000</u>
Estimated Earned Income on above Church Investments for 1983	\$ 82,782,200
Estimated Earned Income on All Other Business Investments	
Includes agribusiness holdings, commercial real estate, industrial park properties, communications holdings, trusts, and other general undeclared investments.	\$198,300,000 (1982) \$207,000,000 (1983)



Table 3-6 gives our estimates of total LDS income for selected years.<sup>86</sup> The 1983 figure of \$2 billion is a staggering amount considering that much of it is poured back each year into more investments.

**Table 3-6 Approximate LDS Church Total Income  
from All Sources  
(Tithing, Donations, Earned Income)**

YEAR	ESTIMATED INCOME
1962	More than \$ 365,000,000
1976	More than \$1,095,000,000
1978	More than \$1,000,000,000
1982	\$1,700,000,000
1983	\$2,000,000,000

### Church Lands and Buildings

For Mormons, Zion is not merely a concept. It is a geographic place, just as Jerusalem is to Jews. Many Mormons still regard Jackson County, Missouri, as Zion, the place where the millennium will occur. Others take a more global interpretation. For them Zion consists of those places the Church owns and controls, that is, its properties as well as its investments. We briefly review the major Church lands and buildings that make up Zion in this latter view.

### Meetinghouses

In 1983 there were approximately 4,435 meetinghouses, where local congregations of Mormons meet for regular services, in the United States and Canada. More than 80 percent of the LDS population still resides in the western and northwestern United States, principally in Utah, California, Idaho, Arizona, and Washington, and three-quarters of the meetinghouses are in these states.<sup>87</sup> In addition, there are approximately 2,367 meetinghouses outside North America, but given Church growth in South America and elsewhere such buildings are springing up faster than we have been able to count. One Church leader estimated that over 400 new branch, ward, and stake meetinghouses were being built each year throughout the world to accommodate the rapid membership growth.<sup>88</sup>

Altogether these meetinghouses represent a 1983 minimum value of \$3,175,884,000.

### Other Religious

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## Church Total Income

## Earned Income)

## INCOME

\$ 365,000,000
\$1,095,000,000
\$1,000,000,000
\$1,700,000,000
\$2,000,000,000

of a concept. It is a geographic concept. Many Mormons still regard Zion as a place where the millennium will be interpreted. For them Zion means and controls, that is, its ownership and controls, that is, its We briefly review the major aspects of Zion in this latter view.

4,435 meetinghouses, where most of regular services, in the United States 80 percent of the LDS Church is in the United States and northwestern United States, Idaho, Arizona, and Washington. Meetinghouses are in these states.<sup>87</sup> 2,367 meetinghouses outside the United States in South America and elsewhere. We have been able to find that over 400 new branch meetinghouses are being built each year through rapid membership growth.<sup>88</sup> These figures represent a 1983 minimum

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## Other Religious Edifices

The April 1980 issue of the Church's *Ensign* magazine cites eighty-six edifices of special religious significance to Mormons. These include the Church's administrative headquarters in Salt Lake City; separate genealogical libraries; the Church's famous Granite Mountain Vaults, which protect its records and microfilm family records; museums; distribution centers and mission properties; and the Salt Lake City Tabernacle and Assembly Hall. In 1985 there are about 100 such places in the United States and Canada and 167 outside North America, altogether worth an estimated \$208,065,000.

## Temples

In 1984 there were forty-two temples completed or scheduled for completion by 1985 around the world. They varied greatly in size. The massive Washington, D.C., temple, for example, is built on a site covering 57 acres. The temple site in London covers 32 acres and the Seattle temple site takes up 23½ acres, yet the Tokyo temple is built on less than one-half acre! The Salt Lake City temple has the largest floor area (253,015 square feet), followed by the Los Angeles temple (190,614 square feet), the Washington, D.C., temple (164,000 square feet), the Jordan, Utah, temple (148,235 square feet), and the Mexico City temple (126,235 square feet). The smallest amount of floor space is in the temple in Freiberg, East Germany (7,800 square feet). Ironically the Tokyo temple, built on such a small site, has more square footage (54,600 square feet) than any other temple outside the United States except the Mexico City temple. Most foreign temples average only 10,000 square feet of floor space.

We estimated the values of acreage and temple buildings from various sources. We consulted the *Deseret News 1983 Church Almanac*, various issues of the *Church News*, assorted newspapers, and other publications to learn the approximate costs and sizes of many temples. We contacted a number of professionals (construction firms, stone and wood craftsmen, architects, and building engineers) to obtain estimates of what it would have cost to build some of the older temples (such as Utah temples at Salt Lake City, Manti, and Logan and at Cardston, Alberta). Besides these experts, we contacted both commercial and residential real estate agencies

in a number of states and foreign countries to determine fair market values for the lands on which temples sit. In some instances temples of nearly the same floor space and acreage had very different values, as in the cases of the Tokyo temple (54,600 square feet) and the temple in São Paulo, Brazil (51,279 square feet). Although the land for the Tokyo temple is much smaller, its value far exceeds that in Brazil. Additionally the Tokyo temple required more structural steel and reinforced concrete than the São Paulo temple because of Japan's exceedingly strict building codes for earthquakes and typhoon protection. Thus temples differed greatly in construction cost and present value.

The most valuable temple currently is the original one in Salt Lake City (\$79,093,000), followed by the Manti, Utah, temple (\$42,000,000), the Washington, D.C., temple (\$35,000,000), the Logan, Utah, temple (\$31,465,000), and the Cardston, Alberta, temple (\$29,225,000). More recent, foreign temples typically are found at the opposite range: the Freiberg, East Germany, temple has the lowest dollar value (\$1,600,000), followed by the Guatemala City and Guayaquil, Ecuador, temples (\$2,400,000 each).

The total estimated value of all LDS temples in 1983 was \$559,443,000.

### ***Educational Facilities***

Here we include all educational buildings and acreage at universities, colleges, elementary and secondary schools, and religious institutes and seminaries owned by the LDS Church. Part of the information on buildings and acreage was already available in sources such as *The College Blue Book* or in tax listings. We gathered land values and estimates of replacements costs per square foot for campus buildings by interviewing local real estate agents.<sup>89</sup> Table 3-7 presents a summary of what we learned.

### ***Agribusiness Holdings***

The Church has always been a huge landholder. In 1849 the Church leadership envisioned the State of Deseret (to be strictly a Mormon commonwealth) to include that portion of California east of the Sierra Nevada and all of southern California, all of Nevada

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countries to determine fair market values sit. In some instances temples acreage had very different values, temple (54,600 square feet) and the temple (54,600 square feet). Although the land value, its value far exceeds that temple required more structural than the São Paulo temple because building codes for earthquakes and differed greatly in construction

presently is the original one in Salt Lake City by the Manti, Utah, temple (C., temple (\$35,000,000), the temple), and the Cardston, Alberta, temple, foreign temples typically are more expensive, East Germany, temple (\$1,000,000), followed by the Guatemala temples (\$2,400,000 each).

All LDS temples in 1983 was

val buildings and acreage at and secondary schools, and owned by the LDS Church. Part acreage was already available in *Book* or in tax listings. We replaced costs per square foot by local real estate agents.<sup>89</sup> That we learned.

large landholder. In 1849 the state of Deseret (to be strictly that portion of California east of the Sierra Nevada, all of Nevada

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**Table 3-7 Estimated Value of LDS Educational Facilities (1983)**

NAME AND LOCATION	NUMBER OF BUILDINGS	ACREAGE	ESTIMATED VALUE
Brigham Young University Provo, Utah	317	529	\$339,330,000
BYU-Ricks College Rexburg, Idaho	33	255	\$ 97,000,000
BYU-Hawaii College Laie, Oahu, Hawaii	7	460	\$ 56,000,000
LDS Business College Salt Lake City, Utah	5	4	\$ 27,000,000
Church College of New Zealand Tuhikaramea, New Zealand	3	86	\$ 33,000,000
Liahona Church School Pea, Tonga	4	200	\$ 6,315,000
Other Church Schools in Mexico, Central and South America, Samoa, and the South Pacific	—	—	\$ 11,000,000
Institutes and Seminaries in the U.S., Canada, and foreign countries	436	315	\$ 59,000,000
Total Estimated Value			\$628,645,000

and Utah, the southern portions of Oregon and Idaho, southwestern Wyoming, western Colorado, western New Mexico, and all of Arizona north of the Gila River — roughly an area one and a half times the size of Texas.<sup>90</sup> Its farm and ranch system is more modest, yet its 928,600 total acres (in 1983) make the LDS Church the single largest ranching enterprise in the United States. The next largest is the famous King Ranch in Kingsville, Texas, at 825,000 acres. To put it in a slightly different perspective, the Church's 928,600 acres equal approximately 1,528 square miles, larger than the state of Rhode Island and only slightly smaller than the state of Delaware. Table 3-8 gives a more specific breakdown of the Church's total acreage.<sup>91</sup>

**Table 3-8 Approximate Acreage in LDS Church Farm-Ranch System (1983)**

NAME	LOCATION	ACREAGE
Deseret Ranch of Florida	Central Fla.	316,000
Deseret Livestock Ranch	Northeastern Utah	201,000
LDS Welfare Farms & Dairies	U.S. and overseas	167,000 (est.)
U & I, Inc.*	Kennewick, Wash.	109,000
Deseret Ranch of Canada	Cardston, Alberta	95,000
Elberta Farms	Elberta, Utah	12,000
Various farm investments	Midwestern U.S.	11,000 (est.)
Deseret Farms of Texas	Pecos, Texas	10,000
Deseret Farms of California	Sacramento-Esparto, Calif.	6,000
Templeview Farms	Hamilton, New Zealand	1,600
	Total	928,600

\*The LDS Church owns about 70 percent of the outstanding stock and is the major shareholder.

The Church's real estate division conducts a good deal of selling and buying land. Journalist Jeffrey Kaye conservatively estimated a total of one hundred property transactions per week.<sup>92</sup> Holdings under the agribusiness category include, of course, farm and ranch lands but also canneries for produce grown on church property, Bishops' Storehouses and a transportation system for the welfare program, equipment such as tractors and threshers, roads, irrigation systems, barns and similar buildings, silos, nine flour mills, twenty-seven granaries, thrift stores for Church members, and livestock (approximately 80,000 beef cattle, another 80,000 yearlings and feeder calves, 6,300 milking cows, 3,500 sheep, and 300 horses). Table 3-9 presents figures just on the value of granaries and flour mills to give some sense of the Church's far-flung and considerable investments in agribusiness.<sup>93</sup>

The estimated total of all agribusiness buildings, improvements, equipment, and livestock in 1983 was \$283,824,000; of all agribusiness land holdings, \$1,900,114,000. Together all agribusiness holdings (land and other considerations) were estimated to be worth \$2,183,938,000.

## LDS, Incorporated

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## ge in LDS Church Farm-Ranch

LOCATION	ACREAGE
al Fla.	316,000
eastern Utah	201,000
and overseas	167,000 (est.)
ewick, Wash.	109,000
ton, Alberta	95,000
a, Utah	12,000
estern U.S.	11,000 (est.)
, Texas	10,000
nento-Esparto, Calif.	6,000
ton, New Zealand	1,600
Total	928,600

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Table 3-9 Estimated Value of LDS Church Granaries and Flour Mills (1983)

LOCATION	BUSHEL CAPACITY	APPROXIMATE REPLACEMENT COST PER BUSHEL	ESTIMATED VALUE
Atlanta, Ga.*	50,000	\$4.30	\$ 225,000
Burley, Idaho	1,300,000	\$2.15	\$ 2,795,000
Colton, Calif.*	160,000	\$3.50	\$ 560,000
Denver, Colo.*	75,000	\$4.30	\$ 322,500
Elberta, Utah	500,000	\$2.55	\$ 1,275,000
Freemont, Calif.	40,000	\$4.30	\$ 172,000
Granger, Utah	400,000	\$2.70	\$ 1,080,000
Hermistown, Oreg.*	500,000	\$2.55	\$ 1,275,000
Indianapolis, Ind.*	50,000	\$4.30	\$ 215,000
Kaysville, Utah*	600,000	\$2.45	\$ 1,470,000
Lindon, Utah	20,000	\$4.30	\$ 86,000
Los Angeles, Calif.	200,000	\$3.20	\$ 640,000
McGrath, Alberta*	100,000	\$4.10	\$ 410,000
Mesa, Ariz.*	200,000	\$3.20	\$ 640,000
Murray, Utah	27,000	\$4.30	\$ 116,100
Patterson, Calif.	300,000	\$3.20	\$ 960,000
Pocatello, Idaho	50,000	\$4.30	\$ 215,000
Richmond, Va.	20,000	\$4.30	\$ 86,000
Sacramento, Calif.	40,000	\$4.30	\$ 172,000
Salt Lake City, Utah	300,000	\$2.85	\$ 855,000
San Diego, Calif.	75,000	\$4.30	\$ 322,500
San Fernando, Calif.	40,000	\$4.30	\$ 172,000
Seattle, Wash.	40,000	\$4.30	\$ 172,000
Spokane, Wash.	50,000	\$4.30	\$ 215,000
St. George, Utah	40,000	\$4.30	\$ 172,000
Ucon, Idaho	150,000	\$3.50	\$ 525,000
Washington, D.C.*	50,000	\$4.30	\$ 215,000
Total Bushel Capacity	5,377,000	Estimated Total Value (Granaries Only)	\$15,353,000
		Estimated Total Value (Flour Mills, etc.)	9,000,000
		Estimated Total Value of All Granaries, Flour Mills, etc.	\$24,353,000

\*Flour Mills

### Commercial Real Estate and Industrial Park Properties

The LDS Church owns approximately 30,000 acres of purchased or donated commercial properties that have been or are in the process of being developed or sold for profit. For example, in downtown Salt Lake City these include, among others, the ZCMI Center Mall, the Kennecott Office Building, the Hotel Utah and Temple Square Hotel, the Promised Valley Playhouse, and the Eagle Gate



Apartments. These properties alone are worth \$204,000,000.<sup>94</sup> The LDS Church is the largest private property owner in the state of Utah.<sup>95</sup> But its commercial properties can also be found in Los Angeles, Phoenix, Boston, Kansas City (Mo.), Honolulu, Tokyo, São Paulo, Seoul, and Sydney.

Altogether these properties carry a conservative estimated 1983 market value of \$757,382,000.

### ***Historical Properties***

The original Joseph Smith farm at Manchester, New York; the nearby Hill Cumorah; the Martin Harris farm near Palmyra, New York; the Carthage Jail at Carthage, Illinois, and much of nearby restored Nauvoo; the John Johnson farm at Hiram, Ohio — most non-Mormons would not recognize, much less care about, these properties. But to Mormons they have both historical and religious significance. They are to Mormons what the Holy Land is to other Christians and Jews. They make up something less than 20,000 acres, but in terms of tourism, renovation, and the Church's costs for preservation, they represent an important LDS investment.<sup>96</sup>

Our estimated total value of such LDS historical properties in 1983 is \$50,107,800, the sum of the following specific holdings.

***Church Archival and Library Holdings*** No religion has ever possessed a more vital sense of its own history — its unique place in God's design for human events — than does Mormonism. This is undoubtedly a carryover from Old Testament Judaism with which Mormons so consciously identify. Their sense of history, coupled with their theological mission to scour the archives of the United States and Europe in search of more ancestors to baptize, has resulted in a strong value placed on saving records and documents. Mormons have always been careful about preserving records such as notes, diaries, correspondence, pamphlets, works of art, artifacts, and out-of-print publications. At Brigham Young University in Provo, at the Ricks College Library, in the Church's Historical Department library and genealogical library, and at its Granite Mountain vaults (to cite a few locations) the Church maintains extensive collections of written and, more recently, microfilmed data. These range from a first edition of the *Book of Mormon* (worth \$7,500) to a page from the Gutenberg Bible to a copy of *Manuscript*

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*Star Catalogue* by Johann Hevelius (worth \$50,000). There good collections of rare anti-Mormon pamphlets and a nearly complete collection of first edition works by Charles Dickens, many letters-laid-in by Dickens or autographed by him.

At Granite Mountain the Mormons store their genealogical files 100-foot rolls of microfilm (processing some 60,000 rolls each at \$7.50 per roll). Deep within this impenetrable natural fortress in Little Cottonwood Canyon, the Church hopes eventually store records containing 6 billion names. Huge ten- and fourteen- on steel vault doors and blast locks keep out contaminated air and provide access to the six vaults, which are semicircles lined with white corrugated steel stretching for about 200 feet. The caverns are entered through a bunker watched continuously by a closed-circuit television camera. The vaults were designed to withstand any major catastrophe, such as flood, earthquake, or even nuclear war. They have been characterized by one non-Mormon as "one of the most desperate monuments to the dream of human immortality."<sup>97</sup>

The total estimated value in 1983 of the Church's archival and library holdings is \$157,717,000.<sup>98</sup>

**Church Communications Holdings** In chapter 2 we paid particular attention to the theology and logic behind the LDS Church's considerable investments in all forms of mass communications. There is little need to review those figures here except to reiterate the bottom-line dollar estimate on Church communications holdings in 1983: \$547,640,000.

**Church Insurance Investments** The Beneficial Life Insurance Company was founded primarily to provide life insurance for members of the Church of Jesus Christ of Latter-day Saints. For years that was its single activity. In the past decade, however, Beneficial has been acquiring several other companies, with plans for expansion. Far from just a single subsidiary of the Church, it is now a major investment.<sup>99</sup>

The LDS Church's insurance portfolio reveals both life-health and property-casualty companies. The Deseret Mutual Benefit Association is directly owned by the Corporation of the President of the Church of Jesus Christ of Latter-day Saints (estimated value

\$20,000,000). The Beneficial Life Group includes the Beneficial Life Insurance Company, the Continental Western Life Insurance Company, the Pacific Heritage Assurance Life Insurance Company, and the Western American Life Insurance Company. We estimated their combined value at \$94,000,000.<sup>100</sup> The Utah Home Fire Insurance Company, first organized in 1886, has an estimated value of \$4,000,000.

Altogether, as of 1983 the Church's insurance investments have an estimated market value of \$118,500,000.

### SUMMARY OF LDS CHURCH WEALTH

Throughout the previous pages we have frequently cited eight- and even nine-digit dollar estimates for Mormon Church holdings. These are careful assessments based on interviews and consultations with financial experts and other professionals as well as on research in specific industry publications. In most cases we actually were presented with two possible figures — a high probable and a low probable estimate — and settled on an average between them for our own estimates. Therefore we may well have underestimated a good deal of the LDS Church's wealth. We suspect this also because as we finished this estimation process new developments and business transactions of the Church became public, allowing us to check our estimates with true figures. A good example is Torbet Radio (a Church-owned advertising agency), which, according to *Broadcast* magazine, the Bonneville International Corporation sold in late 1983 to Selkirk Communications Ltd. of Toronto for about \$11 million. This was \$7,250,000 more than our own original best estimate of \$3,750,000 based on January 1982 interviews with Torbet personnel and others, cited in Chapter 2.

Thus the "final" figures we arrived at here are not really final. Despite our efforts to validate estimates and continually update them as we prepared this book, there is a more than even chance that the wealth of the LDS Church is greater than we have indicated. Before making a final comment on the implications of this enormous wealth, we summarize our findings on the Church's assets in Table 3-10.

The Group includes the Beneficial Life Insurance Company, the Western Life Insurance Company, the Utah Life Insurance Company, and the Utah Home Fire Insurance Company. We estimated their value at \$118,500,000. The Utah Home Fire Insurance Company, organized in 1886, has an estimated value of \$118,500,000.

## JRCH WEALTH

ges we have frequently cited estimates for Mormon Church holdings. Based on interviews and consultations with other professionals as well as on other publications. In most cases we actually used the figures — a high probable and a low probable — settled on an average between them. We may well have underestimated the Church's wealth. We suspect this also applies to the valuation process of new developments. When the Church became public, allowing for more accurate figures. A good example is Torbet & Associates (a rating agency), which, according to the International Corporation sold to the International Corporation Ltd. of Toronto for about \$10 million more than our own original best estimate. In January 1982 interviews with the Church, as detailed in Chapter 2.

The figures arrived at here are not really final. We will continue to update them as more information is available. It is more than even a chance that the actual figures are greater than we have indicated. The implications of this enormous increase in the Church's assets

**Table 3-10 Total Assets of the LDS Church (1983)**

Lands and buildings (meetinghouses, other religious edifices, temples, educational facilities, agribusiness holdings, commercial real estate and industrial park properties, historical properties)	\$7,071,576,000
Church archival and library holdings	157,717,000
Church insurance companies	118,500,000
Church communications properties	547,640,000
<b>Total</b>	<b>\$7,895,433,000</b>

## A FINAL LOOK

The inevitable question many people will want to ask is "But how does LDS Church wealth compare to that of the much older Roman Catholic Church and other religious groups?" In the case of the Roman Catholic Church, property, stock portfolios, and other holdings are owned by individual dioceses, not by Rome, so such a comparison of total wealth is not feasible. Nor can comparisons of Mormon wealth easily be made with other American religious groups, however we might wish it. Some groups, like the Christian Scientists, jealously guard information on such basic facts as their overall membership size. No studies have been done on their wealth. Other groups, such as mainline denominations like the United Methodists, the Southern Baptists, or the various Lutheran groups, have not yet been comparably studied. Such organizations blend into mainstream respectability so well that most scholars have not asked probing questions about their capital investments, diversified assets, and so forth.

In fact, very little is known in social science about the economic operation of religious institutions. The entire subject has been largely cloaked in secrecy by the religious groups themselves and avoided by polite journalists and researchers. The few groups that have yielded facts about their financial operations have in general done so unwillingly in court litigations and government investigations or through defectors who exposed what they knew, the Unification Church of Sun Myung Moon being a prime example. Many scholars consider the LDS Church's success such an anomaly in the history of frequent failures in most American sectarian religions, so valid

comparison with other groups, even if more information were available, might not be possible.<sup>101</sup>

In a few areas, such as mass communications, we know the LDS Church dwarfs any other group of religious owners and investors. The much-publicized "televangelists" of the "electronic church," such as the Reverends Jerry Falwell, Oral Roberts, and Jim Bakker, are small-time by comparison.<sup>102</sup> Likewise, the millions of dollars of self-appointed messiahs like Sun Myung Moon, much ballyhooed by the sensationalist press, are not even in the same league.<sup>103</sup>

Moreover, control of the Mormons' vast wealth is concentrated in the hands of a small group of directors. We know from the structure of the Church hierarchy that no more than a dozen men really make significant decisions about investment policies and priorities. As we saw from recent changes made in the Church's stock investment plans, the religious outlooks and preoccupations of just a relatively few key persons can affect hundreds of millions of dollars and, indirectly, the lives and careers of millions of Church members tied by employment and investment to those monies.

In our final chapter we consider broader implications of any religion's holding such power. Here we conclude by noting that the very virtues that helped the Mormons overcome persecution, tame a virtually barren wilderness, and move beyond mere survival into true prosperity have created a corporate monolith that may irrevocably be crushing out many of those virtues. Prosperity in religious sects in the past has produced public acceptance, which Mormons have desperately wanted and largely achieved, but also compromise. The cost of succeeding in a Gentile economy is that Gentile standards of success have to be acknowledged. This economic success is a new yoke on the necks of many Mormons, wrote LDS scholar Marden Clark, and it must be lifted if the Church is to survive spiritually. He warned Mormon readers:

Our emphasis on welfare, food storage, staying out of debt, sound finances, and so forth has made many of us hyper-conscious of the role of money in our lives. We have placed a good deal of emphasis on success, both monetary and otherwise. It is no accident that some of the best known of the new breed of financial advisors are Mormons. All those hundreds of talks on success are

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both symptom and cause. So is our intense preoccupation with  
and honoring of the wealthy, the famous, the champion. We  
almost canonize our Willard Marriotts, our Johnny Millers, our  
Danny Ainges, our Osmonds. . . I can't help wondering if some  
of the things we glory in most don't get twisted to support the  
easy-money hunger.<sup>104</sup>

Yet this financial success is precisely what must happen,  
according to the Church's ambitions for a literal Kingdom of God  
on earth ruled by the Saints. Modern nations have generally become  
strangers to theocracy, but in an era of rapid transportation, instant  
communication, and high finance the old rules may no longer apply.  
No one can predict the amount of national and international stability  
to come, for example, and how such factors will interact with  
Church goals is an unknown. To better interpret the Church's  
attempts to chart its own destiny, however, we need to examine  
its political as well as its economic power.